

**STATEMENT OF
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UNITED STATES DEPARTMENT OF AGRICULTURE**

**Before the Committee on Resources
United States House of Representatives**

**February 9, 2000
1:00 p.m.
1324 Longworth House Office Building
Washington, D.C.**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to be here today to present the Administration's views on H.R. 3182, a bill to convey to the City of Craig, Alaska, a 4,560 acre parcel of National Forest System land from the Tongass National Forest to broaden the City's tax base and assist Craig with its financial difficulties. The Department of Agriculture strongly opposes this bill. However, the Department is aware of the City's financial difficulties and we are willing to work to assist the community through existing programs and to discuss other alternatives for helping the City.

Additional lands after ANCSA?

Under Section 14(c)(3) of the Alaska Native Claims Settlement Act (ANCSA), each municipal entity received acreage for community expansion purposes. The Alaska State

Office of the Bureau of Land Management has confirmed that the City of Craig has already received its Section 14(c)(3) entitlement. The City of Craig has gone through the same process as all the other communities in the Tongass regarding lands available or appropriate for selection and is not entitled to additional land selections.

No Compensation

H.R. 3182 would simply convey lands to the City of Craig. It provides no compensation to the American people for the 4,560 acres to which they would lose both ownership and access. An estimate of the market value, based on current timber stumpage values, is \$1,700 per acre for a total value of approximately \$8 million, and yet, the bill provides for transfer of the lands with no payment in return.

Resource Values

In addition to the more easily quantifiable values, there are exceptional ecological values in the 4,560 acres, including: 860 acres of scenic viewshed, 320 acres of old growth habitat, 13 miles of class 1 anadromous fish stream, and 15 miles of class 2 resident fish stream. The area is also important for subsistence use by several local communities and it falls within the traditional territories of the Heenya Kwaan Tlingit. The City lacks the Forest Service's legal mandate to protect subsistence uses.

Likewise, the parcel is within the viewshed of a proposed scenic byway: the Thorne Bay to Control Lake to Coffman Cove road. Should the land be conveyed to the City of Craig, the Forest Service has concerns that it may be harvested for quick economic return and without regard to visual impacts. The cut units would extend the existing visual

impacts from harvest on the adjacent Sealaska Native Corporation lands (not subject to the same visual resource protections as National Forest System lands). In addition, the cuts would be visible from the Control Lake cabin, currently one of the highest use public recreation cabins on the Prince of Wales Island road system. Public recreation opportunities would also be negatively affected, as the conveyance would remove another two and a half miles of the road corridor from Forest Service jurisdiction, thus reducing the likelihood of developing public recreation sites along the mainline road. Without development of the recreation sites, future growth of recreation and tourism on Prince of Wales Island would be limited.

Lost Investment

In addition to the value of the land and the costs of reducing the number of future public recreation sites and the visual appeal of current sites, there would be a direct dollar loss to the American taxpayer. The entire selection falls within the Control Lake Project Area, which includes 351 acres and 9.8 million board feet of timber being prepared for sale. The Forest Service has invested approximately \$300,000 to date in the timber sale, road layout, and environmental analysis work in the area. This investment would be lost if the land were simply conveyed to the City of Craig.

Although the Department strongly opposes H.R. 3182, we are aware of the City of Craig's financial difficulties and continue to offer our assistance to the community. In 1999, the Forest Service met three times with city representatives, twice in Washington, D.C. and once in Juneau, Alaska. The City also met with Under Secretary Jim Lyons' office. The Forest Service and Under Secretary Lyons' office discussed the situation and

explored the City's proposal for legislation. Both the Forest Service and Under Secretary Lyons' office were clear that the legislation would be strongly opposed and encouraged the City to develop other alternatives. The City has not done so.

The Forest Service has scheduled another meeting with the City in early February. At this meeting the Forest Service will explore with the City opportunities for additional federal financial assistance that may exist through the State and Private Forestry programs, such as grants, cooperative agreements, and economic development funding. Over the past several years, the City of Craig has received over \$170,000 in Forest Service Rural Community Assistance grants and over \$3,230,000 in payments from the Southeast Alaska Economic Fund. The FY 2000 budget does not include the City of Craig on the list of Southeast Alaska forest dependent communities to receive an additional \$22 million in aid from the Southeast Alaska Economic Disaster Fund.

In conclusion, although the Department of Agriculture strongly opposes H.R. 3182 as a land giveaway without compensation to the American taxpayers and as a dangerous precedent for allowing communities to seek additional land selections, we will continue to work with the City of Craig on other options for addressing their financial difficulties.

(INSERT HERE TESTIMONY FOR LAKE TAHOE BASIN AND BEND-PINE
NURSERY FOR SENATE HEARING ONLY ON 2/10/00)

I would be happy to answer any questions you and the members of the Committee might have.